

Exhibit III

Fee Application for the period

May 1, 2007 through May 31, 2007

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re)	Chapter 11
)	
W. R. Grace & Co. <u>et al.</u> ¹ ;)	Case No. 01-01139 (JKF)
)	Jointly Administered
Debtors.)	
)	

Objection Deadline:
July 31, 2007 at 4:00 p.m.
Hearing date: To be scheduled only if objections
are timely filed and served.

NOTICE OF FILING OF MONTHLY FEE APPLICATION

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

Capstone Advisory Group, LLC ("Capstone"), financial advisors to the Official Committee of Unsecured Creditors of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served its Fortieth Interim Application for Allowance of Compensation and for Services Rendered and Reimbursement of Expenses

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-I Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Incurred for the period from May 1, 2007 through May 31, 2007 (the "Monthly Fee Application"). Capstone is seeking compensation in the amount of \$80,944.80, representing 80% of \$101,181.00, which is the total amount of fees incurred, and reimbursement for actual and actual and necessary expenses in the amount of \$838.49.

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **July 31, 2007 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the following: (i) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312-861-2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale,


399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755) and Mark Hurford, Esquire, Campbell & Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins, Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-715-8000); and (vii) the Office of the United States Trustee, Attn: David Klauder, Esquire, 844 N. King Street, Wilmington, Delaware 19801

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(fax number 302-573-6497); and (viii) the Fee Auditor, to Stephen L. Bossay, Warren H. Smith and Associates, Republic Center, 325 N. St. Paul, Suite 1275, Dallas, TX 75201.

Dated: July 11, 2007
Wilmington, DE

RESPECTFULLY SUBMITTED,



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Co-Counsel for the Official Committee of
Unsecured Creditors of W. R. Grace & Co., et al.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W.R. GRACE & Co., <u>et al.</u> ,)	Case No. 01-01139 (JKF)
)	(Jointly Administered)
Debtors)	
)	

FORTIETH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM MAY 1, 2007 THROUGH MAY 31, 2007)

Name of Applicant:	Capstone Advisory Group, LLC (formerly known as Capstone Corporate Recovery, LLC)
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 8, 2004 (nunc pro tunc to February 4, 2004)
Period for which compensation and reimbursement is sought:	May 1, 2007 through May 31, 2007
Amount of Compensation sought as actual, reasonable and necessary (80% of \$101,181.00):	\$ 80,944.80
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	\$ <u>838.49</u>
Total Amount Due:	\$ 81,783.29

Capstone replaced FTI Consulting, Inc. ("FTI") as financial advisors to the Official Committee of Unsecured Creditors, ~~nunc pro tunc~~ to February 4, 2004, so ordered by the Court on June 8, 2004.

The total time expended and included herein for fee application preparation is 6.5 hours and corresponding compensation requested is approximately \$1,970.00.

This is the Fortieth Interim Application filed by Capstone. Disclosure for the current period and prior periods is as follows:

FORTIETH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
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**ATTACHMENT A
 TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40
Totals First Quarterly	February 4, 2004 through March 31, 2004	\$231,297.50	\$5,751.07	\$185,038.00
June 12, 2004	April 1, 2004 through April 30, 2004	\$61,925.00	\$678.33	\$49,540.00
July 13, 2004	May 1, 2004 Through May 31, 2004	\$32,665.00	\$477.15	\$26,132.00
August 5, 2004	June 1, 2004 through June 30, 2004	\$106,470.50	\$1,119.63	\$85,176.40
Totals Second Quarterly	April 1, 2004 through June 30, 2004	\$201,060.50	\$2,275.11	\$160,848.40
August 31, 2004	July 1, 2004 through July 31, 2004	\$68,533.50	\$667.60	\$54,826.80
September 24, 2004	August 1, 2004 through August 31, 2004	\$99,215.50	\$1,341.49	\$79,372.40
October 28, 2004	September 1, 2004 through September 30, 2004	\$44,918.25	\$658.72	\$35,934.60
Totals Third Quarterly	July 1, 2004 through September 30, 2004	\$212,667.25	\$2,667.81	\$170,133.80

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Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
December 6, 2004	October 1, 2004 through October 31, 2004	\$57,592.50	229.77	\$46,074.00
December 22, 2004	November 1, 2004 through November 30, 2004	\$84,366.50	\$745.91	\$67,493.20
January 28, 2005	December 1, 2004 Through December 31, 2004	\$82,351.00	\$ 1,943.96	\$65,880.80
Totals Fourth Quarterly	October 1, 2004 through December 31, 2004	\$224,310.00	\$2,919.64	\$179,448.00
February 25, 2005	January 1, 2005 through January 31, 2005	\$69,477.00	\$276.18	\$55,581.60
March 29, 2005	February 1 through February 28, 2005	\$77,228.50	\$1,727.60	\$61,782.80
May 6, 2005	March 1, 2005 through March 31, 2005	\$126,012.00	\$ 494.94	\$100,809.60
Totals Fifth Quarterly	January 1, 2005 through March 31, 2005	\$272,717.50	\$2,498.72	\$218,174.00
June 3, 2005	April 1, 2005 through April 30, 2005	\$ 87,936.00	\$ 435.16	\$ 70,348.80
July 6, 2005	May 1, 2005 through May 31, 2005	\$119,435.00	\$1,275.00	\$ 95,548.00
July 15, 2005	June 1, 2005 through June 30, 2005	\$89,859.00	\$542.69	\$71,887.20

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(FOR THE PERIOD FROM MAY 1, 2007 THROUGH MAY 31, 2007)

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
Totals Sixth Quarterly	April 1, 2005 through June 30, 2005	\$297,230.00	\$2,252.85	\$237,784.00
September 19, 2005	July 1, 2005 through July 31, 2005	\$90,014.50	\$621.03	\$72,011.60
October 7, 2005	August 1, 2005 through August 31, 2005	\$126,233.00	\$1,532.46	\$100,986.40
October 31, 2005	September 1, 2005 through September 30, 2005	75,983.50	\$482.03	\$60,786.80
Totals Seventh Quarterly	July 1, 2005 through September 30, 2005	\$292,231.00	\$2,635.52	\$233,784.80
December 16, 2005	October 1, 2005 through October 31, 2005	95,742.50	\$750.36	76,594.00
December 30, 2005	November 1, 2005 through November 30, 2005	\$118,062.00	\$1,119.74	\$94,449.60
February 9, 2006	December 1, 2005 through December 31, 2005	\$122,018.50	\$938.82	\$97,614.80
Totals Eighth Quarterly	October 1, 2005 through December 31, 2005	\$335,823.00	\$2,808.92	\$268,658.40
March 21, 2006	January 1, 2006 through January 31, 2006	\$85,745.00	\$631.01	\$68,596.00
April 20, 2006	February 1, 2006 through February 28, 2006	\$173,916.50	\$2,359.69	\$139,133.20

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(FOR THE PERIOD FROM MAY 1, 2007 THROUGH MAY 31, 2007)

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
May 9, 2006	March 1 through March 31, 2006	\$141,040.50	\$1,017.99	\$112,832.40
Totals Ninth Quarterly	January 1, 2006 through March 31, 2006	\$400,702.00	\$4,008.69	\$320,561.60
May 23, 2006	April 1, 2006 through April 30, 2006	\$125,055.00	\$1,929.46	\$100,044.00
June 21, 2006	May 1, 2005 Through May 31, 2006	\$146,396.50	\$965.43	\$117,117.20
July 20, 2006	June 1, 2006 Through June 30, 2006	\$140,368.50	\$1,263.86	\$140,368.50
Totals Tenth Quarterly	April 1, 2006 through June 30, 2006	\$411,820.00	\$4,158.75	\$329,456.00
	Adjustment for July photocopies		\$(6.55)	
August 25, 2006	July 1, 2006 through July 31, 2006	\$102,449.00	\$566.51	\$ 81,959.20
October 2, 2006	August 1, 2006 Through August 31, 2006	\$111,154.00	\$505.01	\$88,923.20
November 13, 2006	September 1, 2006 through September 30, 2006	\$75,103.50	\$633.57	\$ 60,082.80
Totals Eleventh Quarterly	July 1, 2006 through September 30, 2006	\$288,706.50	\$1,698.54	\$230,965.20
December 20, 2006	October 1, 2006 Through October 31, 2006	\$63,155.50	\$206.40	\$50,524.40

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Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
January 22, 2007	November 1, 2006 Through November 30, 2006	\$98,985.50	\$809.09	\$79,997.49
March 20, 2007	December 1, 2006 Through December 31, 2006	\$59,630.50	\$381.70	\$47,704.40
Totals Twelfth Quarterly	October 1, 2006 through December 31, 2006	\$221,771.50	\$1,397.19	\$177,417.20
April 20, 2007	January 1, 2007 through January 31, 2007	\$55,703.00	\$ 166.00	\$44,562.40
April 20, 2007	February 1, 2007 through February 28, 2007	\$87,120.50	\$ 344.89	\$69,696.40
June 29, 2007	March 1, 2007 through March 31, 2007	\$119,047.50	\$472.38	\$95,238.00
Totals Thirteenth Quarterly	January 1, 2007 through March 31, 2007	\$261,871.00	\$983.27	\$209,496.80
June 29, 2007	April 1, 2007 through April 30, 2007	\$77,267.00	\$221.70	\$61,813.60
July 9, 2007	May 1, 2007 through May 31, 2007	\$101,181.00	\$838.49	\$80,944.80

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CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
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(FOR THE PERIOD FROM MAY 1, 2007 THROUGH MAY 31, 2007)

**ATTACHMENT B
TO FEE APPLICATION**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Time Description by Task Code
4. Expense Detail

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Professional
For the Period 5/1/07 through 5/31/07

Professional	Position	Billing Rate	Hours	Fees
E. Ordway	Member	\$595	11.20	\$6,664.00
S. Cunningham	Member	\$595	62.70	\$37,306.50
R. Frezza	Consultant	\$485	18.80	\$9,118.00
J. Dolan	Consultant	\$375	126.30	\$47,362.50
M. Desalvio	Research	\$160	3.50	\$560.00
N. Backer	Paraprofessional	\$100	1.70	\$170.00
For the Period 5/1/07 through 5/31/07			224.20	\$101,181.00

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Task Code
For the Period 5/1/07 through 5/31/07

Task Code	Task Description	Hours	Fees
01. Acquisitions/Divestitures	During the Fee Application period, the Applicant prepared numerous detailed analyses regarding a large divestiture including review of Debtors' presentation materials, draft motion, multi-year financial model, and comparable peer and industry data. In addition, the Applicant prepared a comprehensive report to the Committee regarding the divestiture.	50.80	\$25,100.00
03. Claims Analysis & Valuation	During the Fee Application period, the Applicant prepared various analyses of claims and debt capacity, reviewed recovery scenarios under various assumptions and recent rights offering arrangements.	25.40	\$10,757.00
04. Creditor Committee Matters	During the Fee Application period, the Applicant discussed case issues including the PI/PD liabilities, claim settlements, divestitures and various recovery analyses with counsel and Committee members.	18.90	\$7,351.50
05. Employee Matters/KERP/Other	During the Fee Application period, the Applicant read and analyzed proposed pension funding motion and Actuarial reports and prepared pension funding report to the Committee based on request for funding.	45.00	\$20,945.00
07. Fee Applications & Invoices	During the Fee Application Period, the Applicant prepared the March and April monthly Fee Statements.	6.50	\$1,970.00
08. Financial Analysis - Schedules & Statements	During the Fee Application Period, the Applicant analyzed data regarding 1Q 07 results by comparing sales, EBIT, and gross margin to Plan and prior year, as well as a review of industry reports and prepared a comprehensive report to the Committee. Additionally, the Applicant analyzed the monthly operating reports.	68.50	\$32,265.50
21. Research	During the Fee Application period, the Applicant Retrieved industry reports and company analysts reports for Grace and peers for the 1Q07 report to the Committee, as well as researched comparables for Grace's washcoat business to assist in valuation of the transaction.	3.50	\$560.00
26. Meetings with Debtors/Advisors	During the Fee Application Period, the Applicant prepared for and participated in a discussions regarding Project Gemini and 1Q07 results.	5.60	\$2,232.00
For the Period 5/1/07 through 5/31/07		224.20	\$101,181.00

W.R. Grace & Co.
Capstone Advisory Group, LLC
Detailed Time Description by Task Code
For the Period 5/1/07 through 5/31/07

Date	Professional	Hours	Detailed Time Description
01. Acquisitions/Divestitures			
5/2/2007	S. Cunningham	3.00	Prepared and reviewed comparable market transaction data to assist evaluation of Project Gemini transaction.
5/2/2007	R. Frezza	1.60	Reviewed memo from Blackstone re: Project Gemini and formulated response.
5/2/2007	J. Dolan	1.00	Analyzed updated Project Gemini presentation.
5/2/2007	J. Dolan	1.50	Updated report to the Committee including research of sales multiples and financial information.
5/2/2007	S. Cunningham	2.50	Reviewed and analyzed Project Gemini financial information.
5/3/2007	S. Cunningham	1.50	Reviewed Gemini financial information.
5/3/2007	J. Dolan	1.30	Update to Committee Report on Project Gemini as a result of discussions with Blackstone.
5/4/2007	E. Ordway	1.70	Prepared/edited report to the Committee regarding Project Gemini.
5/4/2007	S. Cunningham	4.50	Researched comparable market transaction data to assist in evaluation of Project Gemini transaction.
5/7/2007	J. Dolan	2.20	Updated report to the Committee on Project Gemini based on additional information received from the Company.
5/8/2007	J. Dolan	1.30	Reviewed transaction comparables received from the Company.
5/9/2007	S. Cunningham	4.30	Reviewed and analyzed competitive transactions and compared to Project Gemini.
5/10/2007	J. Dolan	0.70	Discussions with Counsel and Blackstone regarding Project Gemini purchase price.
5/11/2007	S. Cunningham	2.20	Reviewed Q107 Peer Results to determine valuation of Gemini transaction.
5/15/2007	S. Cunningham	2.00	Review Project Gemini report to the Committee.
5/16/2007	J. Dolan	1.80	Read and analyzed Project Gemini motion.
5/16/2007	J. Dolan	1.70	Revised final report to the Committee and made changes.

Date	Professional	Hours	Detailed Time Description
5/16/2007	J. Dolan	1.00	Revised report to the Committee based on additional information received in the motion and from the Company.
5/18/2007	R. Frezza	1.40	Prepared for and participated in calls to counsel and JPM to advise on latest break-up information.
5/18/2007	R. Frezza	1.50	Reconsidered and revised Project Gemini memo to address proposed break up fee issue.
5/21/2007	J. Dolan	0.70	Prepared and distributed additional follow up questions for the Company related to Project Gemini.
5/21/2007	R. Frezza	2.90	Read and analyzed draft motion re: sale and break-up fee; revised report to committee accordingly.
5/21/2007	J. Dolan	1.30	Final review of Project Gemini memo to the Committee.
5/21/2007	J. Dolan	2.70	Read and analyzed the washcoat sale agreement related to Project Gemini.
5/22/2007	J. Dolan	1.70	Corresponded with Blackstone regarding the status of Project Gemini.
5/23/2007	S. Cunningham	2.10	Reviewed Gemini Information & Updated Report.
5/31/2007	J. Dolan	0.70	Analyzed Project Gemini update received from Blackstone and the related impact on the Company.
Subtotal		50.80	
03. Claims Analysis & Valuation			
5/2/2007	J. Dolan	2.80	Began preparing a report to the Committee summarizing our analyses related to debt capacity, leverage and recovery.
5/3/2007	J. Dolan	1.50	Analysis and preparation of report to the Committee related to debt capacity, leverage analysis and capital structure upon emergence.
5/7/2007	J. Dolan	3.80	Analyzed various asbestos claim scenarios and prepared report to the Committee.
5/8/2007	J. Dolan	2.50	Analysis of various asbestos claim scenarios.
5/9/2007	J. Dolan	1.50	Researched recent asbestos claim settlements.
5/11/2007	S. Cunningham	3.30	Reviewed and analyzed various hypothetical recovery summaries.
5/14/2007	J. Dolan	2.50	Prepared analyses of various settlement scenarios upon emergence.
5/14/2007	J. Dolan	1.50	Review of disclosure statement filed in relation to emergence plans and treatment of claims.
5/15/2007	S. Cunningham	0.30	Discuss 524(g) fund issues with Counsel.

Date	Professional	Hours	Detailed Time Description
5/15/2007	S. Cunningham	2.00	Review hypothetical claims & Recovery scenarios.
5/15/2007	J. Dolan	3.70	Analyses of asbestos claim scenarios for report to Committee.
Subtotal		25.40	
04. Creditor Committee Matters			
5/1/2007	J. Dolan	0.50	Reviewed recent docket submissions.
5/3/2007	J. Dolan	1.80	Prepared for and participated in call with Counsel re: status of case and results of hearing.
5/3/2007	J. Dolan	0.50	Read and analyzed Counsel's update memo on recent hearing.
5/4/2007	E. Ordway	0.60	Read counsels' report on court hearing.
5/4/2007	E. Ordway	0.60	Called Committee member to discuss claims process.
5/4/2007	J. Dolan	1.00	Prepared update to case work plan.
5/4/2007	J. Dolan	1.20	Analyzed recent docket submission information.
5/7/2007	J. Dolan	0.80	Reviewed recent docket submissions.
5/8/2007	J. Dolan	1.80	Read and analyzed Counsel's memos related to the recent hearing and arguments.
5/9/2007	J. Dolan	1.70	Researched requirements of 524g fund.
5/9/2007	J. Dolan	0.80	Analysis of various asbestos claim scenarios.
5/9/2007	J. Dolan	0.70	Continued analysis of various asbestos claim scenarios.
5/14/2007	J. Dolan	0.50	Review of recent docket items.
5/14/2007	J. Dolan	1.50	Read and analyzed Sec 524 in relation to the asbestos fund trust / emergence plan.
5/17/2007	J. Dolan	1.70	Prepared for and participated in call with committee member related to case matters, and 1Q07 results.
5/17/2007	J. Dolan	0.50	Responded to request for information from committee member.
5/21/2007	J. Dolan	1.00	Read and analyzed recent docket items.
5/22/2007	J. Dolan	0.50	Review of recent docket items.
5/24/2007	J. Dolan	0.50	Read and analyzed recent docket items.

Date	Professional	Hours	Detailed Time Description
5/31/2007	J. Dolan	0.70	Updated work plan.
Subtotal		18.90	
05. Employee Matters/KERP/Other			
5/15/2007	J. Dolan	2.40	Prepared report to the Committee related to the pension funding request.
5/15/2007	J. Dolan	1.50	Reviewed and analyzed prior pension motions for comparability to recent request.
5/15/2007	J. Dolan	1.80	Read and analyzed proposed pension funding motion.
5/16/2007	S. Cunningham	3.50	Reviewed hypothetical pension information in anticipation of funding request.
5/16/2007	E. Ordway	0.40	Read and analyzed pension disclosure footnotes on 10Q and compared to data provided by Debtors.
5/17/2007	J. Dolan	2.30	Prepared pension funding memo to the Committee based on request for funding.
5/17/2007	R. Frezza	2.80	Read and analyzed Defined Benefit Pension Documents in preparation for response to pension funding motion.
5/18/2007	E. Ordway	1.90	Continued to analyze pension data and motion.
5/21/2007	S. Cunningham	3.20	Review Pension data reports received from actuaries.
5/21/2007	J. Dolan	3.20	Read and analyzed 2007 actuarial report for Grace pension plan.
5/21/2007	E. Ordway	0.90	Directed staff in reviewing pension data and preparing analysis thereof.
5/22/2007	R. Frezza	1.60	Read and analyzed Defined Pension Motion and related docs filed.
5/22/2007	J. Dolan	2.80	Additional analyses and changes to pension funding report and distribution to Counsel for review.
5/22/2007	S. Cunningham	2.90	Reviewed Pension data and draft memo to Committee.
5/22/2007	R. Frezza	2.90	Read and revised Capstone Report on Defined Pension motion for circulation to the GUC.
5/22/2007	J. Dolan	1.20	Final review of pension funding memo to Committee.
5/24/2007	R. Frezza	2.90	Read and analyzed Defined Pension Motion and related docs filed. Further revised pension report based on additional data.
5/24/2007	J. Dolan	1.20	Responded to Counsel's questions related to the pension funding report.
5/24/2007	J. Dolan	1.30	Final review and changes to the pension funding report to the Committee.

Date	Professional	Hours	Detailed Time Description
5/30/2007	E. Ordway	0.60	Called Committee member to explain pension funding issue/alternatives.
5/30/2007	J. Dolan	1.70	Read and analyzed Watson Wyatt's report received from the Company related to the cash flow impact of possible changes in benefit plans.
5/30/2007	J. Dolan	0.80	Responded to Counsel's review of our pension funding report and provided additional information.
5/31/2007	J. Dolan	1.20	Responded to Counsel's request for additional information related to the pension funding report to the Committee.
Subtotal		45.00	
07. Fee Applications & Invoices			
5/1/2007	J. Dolan	0.50	Prepared fee applications.
5/3/2007	J. Dolan	1.50	Preparation of March fee statement.
5/4/2007	J. Dolan	0.80	Preparation of March fee statement.
5/8/2007	J. Dolan	0.80	Preparation of March fee statement.
5/10/2007	N. Backer	0.40	Prepared March fee statement.
5/10/2007	N. Backer	0.40	Prepared March fee statement.
5/11/2007	N. Backer	0.90	Prepared April fee statement.
5/24/2007	J. Dolan	1.20	Preparation of April fee statement.
Subtotal		6.50	
08. Financial Analysis - Schedules & Statements			
5/1/2007	J. Dolan	1.50	Analyzed and prepared 1st Quarter 2007 snapshot including sales, gm and EBITDA vs. Plan and prior year.
5/1/2007	J. Dolan	2.70	Reviewed and analyzed March 2007 monthly financial statements.
5/1/2007	S. Cunningham	2.00	Review Preliminary IQ07 results versus plan and prior year.
5/3/2007	S. Cunningham	1.50	Reviewed Q1 FY 2007 Plan Data
5/10/2007	S. Cunningham	3.00	Prepared analysis of IQ07 results as compared to Plan and prior year.
5/10/2007	S. Cunningham	3.50	Read and reviewed company Q107 Form 10Q.
5/10/2007	J. Dolan	1.50	Read and analyzed the Company's SEC filings and related press releases.

Date	Professional	Hours	Detailed Time Description
5/10/2007	J. Dolan	2.80	Began preparing actual vs plan analyses for the 1q07 Report to the Committee.
5/10/2007	J. Dolan	2.40	Read and analyzed 1Q07 Form 10Q.
5/11/2007	J. Dolan	1.50	Read and analyzed 1Q07 financial briefing received from the Company
5/14/2007	J. Dolan	1.80	1Q07 preliminary review and analysis of Company financial briefing.
5/14/2007	E. Ordway	0.60	Read 10Q and summarized items for staff to investigate.
5/16/2007	S. Cunningham	1.70	Prepare analysis on Q107 results in anticipation of pre call with company.
5/17/2007	J. Dolan	1.50	Preparation of analyses for 1Q07 report to the Committee.
5/17/2007	S. Cunningham	1.10	Prepared questions related to the 1Q07 results for call with management.
5/17/2007	S. Cunningham	1.00	Review Q107 Company Financials in anticipation of call with management.
5/17/2007	S. Cunningham	2.10	Review 1Q07 10Q in anticipation of call with management.
5/17/2007	J. Dolan	2.50	Read and analyzed the Company's Executive Summary financial statements as of 3/31/07.
5/18/2007	J. Dolan	0.70	Continued analysis of 1Q07 results.
5/18/2007	E. Ordway	0.90	Summarized items for staff to investigate/inquire about on conference call with Debtors.
5/18/2007	E. Ordway	0.50	Reviewed latest changes to our report to the Committee regarding financial performance.
5/23/2007	E. Ordway	0.40	Prepared analysis for inclusion in 1st Quarter report to Committee regarding cash and liquidity.
5/23/2007	S. Cunningham	2.00	Review Q107 Financials & prepared analysis thereon.
5/23/2007	J. Dolan	1.30	Analyses related to the 1Q07 Report to the Committee including cash flow actual results versus prior year and Plan.
5/23/2007	J. Dolan	1.50	Analyses related to the 1Q07 Report to the Committee related to price, productivity and inflation actual results versus prior year and Plan.
5/23/2007	J. Dolan	2.50	Analyses related to the 1Q07 Report to the Committee including sales and ebitda bridges actual results versus prior year and Plan.
5/24/2007	S. Cunningham	4.20	Review Q107 Financials & prepared analysis thereon.
5/24/2007	J. Dolan	2.50	Analyses and commentary related to the 1q07 report to the Committee.

Date	Professional	Hours	Detailed Time Description
5/24/2007	E. Ordway	0.60	Continued analysis of 1st Quarter liquidity.
5/25/2007	J. Dolan	2.40	Read and analyzed 1Q07 peer group financial statements and analyst reports.
5/29/2007	J. Dolan	2.20	Analyzed information for the 1q07 report to the Committee including declining gross margins and its cause.
5/29/2007	E. Ordway	1.10	Continued analysis of 1st Quarter liquidity.
5/29/2007	S. Cunningham	3.30	Reviewed April monthly reporting package filed with Court.
5/29/2007	J. Dolan	1.80	Prepared additional questions and requests for information from the Company for the 1q07 report to the committee.
5/29/2007	J. Dolan	2.70	Analyzed information for the 1Q07 report to the Committee including latest estimate for the year, new financing, and update to commentary on analyses.
5/31/2007	E. Ordway	0.40	Directed staff in analyzing peer group data.
5/31/2007	J. Dolan	1.80	Analyses of peer group comparables to be included in the 1Q07 report to the Committee.
5/31/2007	J. Dolan	1.00	Analyses of foreign currency impact in the 1Q07; comments in report to the Committee.
Subtotal		68.50	
21. Research			
5/2/2007	M. Desalvio	1.50	Research comps for Grace's washcoat business to assist in valuation of the transaction.
5/25/2007	M. Desalvio	2.00	Retrieve industry reports and company analysts reports for Grace and peers for the 1Q07 report to the Committee.
Subtotal		3.50	
26. Meetings with Debtors/Advisors			
5/3/2007	J. Dolan	0.80	Discussion with Blackstone regarding Capstone's additional questions related to Project Gemini.
5/7/2007	J. Dolan	1.80	Prepared for and participated in call with the debtor and Blackstone to discuss our additional questions related to Project Gemini.
5/18/2007	R. Frezza	1.20	Held discussions with debtors advisors re: break-up fee proposal.
5/18/2007	J. Dolan	1.80	Prepared for and participated in Debtor's 1Q07 financial advisors call.
Subtotal		5.60	
Total Hours		224.20	

Capstone Advisory Group, LLC
 Invoice for the May Fee Application

W.R. Grace & Co.
Capstone Advisory Group, LLC
Expense Detail
For the Period 5/1/07 through 5/31/07

	Date	Professional	Detail	Amount
Copies				
	5/31/2007	Capstone Expenses	May copies - 494 @ .10 ea	\$49.40
Subtotal - Copies				\$49.40
May Telecom				
	5/31/2007	Capstone Expenses	May Telephone - Saddle Brook office	\$279.63
Subtotal - May Telecom				\$279.63
Meals				
	5/29/2007	S. Cunningham	Lunch with committee member.	\$49.82
Subtotal - Meals				\$49.82
Research				
	5/31/2007	Capstone Expenses	May Pacer invoice	\$8.64
Subtotal - Research				\$8.64
Scans				
	5/31/2007	Capstone Expenses	May scans - 451 @ 1.00 ea	\$451.00
Subtotal - Scans				\$451.00
For the Period 5/1/07 through 5/31/07				\$838.49